

AMENDED IN SENATE AUGUST 21, 2014

AMENDED IN SENATE JULY 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1450**

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**Introduced by Assembly Member Garcia**  
(Principal coauthor: Senator Lara)

January 8, 2014

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An act to amend ~~Sections 33670, 34172, and Section 34183~~ of the Health and Safety Code, ~~and to add Section 95.6 to the Revenue and Taxation Code~~, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1450, as amended, Garcia. Local government: redevelopment: revenues from property tax override rates.

Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies. Existing law requires revenues equivalent to those that would have been allocated to each redevelopment agency, had the agency not been dissolved, to be allocated to the Redevelopment Property Tax Trust Fund of each successor agency for making payments on the principal of and interest on loans, and moneys advanced to or indebtedness incurred by the dissolved redevelopment agencies. Existing law requires, from February 1, 2012, to July 1, 2012, inclusive, and for each fiscal year thereafter, the county auditor-controller, after deducting administrative costs, to

allocate property tax revenues in each Redevelopment Property Tax Trust Fund in a specified manner.

*This bill would authorize a city or county that levies a property tax rate, approved by the voters of a city or county to make payments in support of pension programs and levied in addition to the general property tax rate, to make a request to an oversight board to prohibit revenues derived from that property tax rate from being deposited into a Redevelopment Property Tax Fund. This bill would authorize an oversight board to deny this request based on substantial evidence that a former redevelopment agency specifically spent, pledged, or otherwise used any revenues derived from the imposition of that property tax rate. This bill, for the 2014–15 fiscal year and each fiscal year thereafter, if an oversight board does not deny this request, would prohibit any revenues derived from the imposition of a property tax rate, approved by the voters of a city, county, or city and county to make payments in support of pension programs and levied in addition to the general that property tax rate, rate from being allocated to a Redevelopment Property Tax Trust Fund and would, instead, require these revenues to be allocated to, and when collected to be paid into, the fund of the city, county, or city and city or county whose voters approved the tax unless, following a written request with each Recognized Obligation Payment Schedule cycle from the successor agency to the city, county, or city and county whose voters approved the tax, the city, county, or city and county authorizes the use of the revenues by the successor agency to pay any enforceable obligation, as specified. The bill would require any revenues derived from the imposition of a property tax rate as so described that have been pledged as security for the payment of any indebtedness obligation to be allocated to the successor agency to pay that indebtedness obligation, as specified: tax. The bill would require all allocations of revenues derived from the imposition of a that property tax rate as so described made by any county auditor-controller prior to July 1, 2014, to be deemed correct, and would prohibit any city, county, city and county, county auditor-controller, successor agency, or affected taxing entity from being subject to any claim, as specified. This bill would require, if an oversight board denies a request to prohibit revenues derived from the imposition of a property tax rate, approved by the voters of a city or county to make payments in support of pension programs and levied in addition to the general property tax rate, from being deposited into a Redevelopment Property Tax Trust Fund, the county-auditor controller to allocate moneys from each Redevelopment*

*Property Tax Trust Fund to a city or county that levies a property tax as so described after certain other allocations have been made.*

By adding to the duties of local government officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares all of the  
2 following:

3 (1) The California Constitution limits property-based tax levies,  
4 with exceptions to these limits only when a local jurisdiction  
5 obtains the approval of its voting electorate to use additional  
6 property-based tax levies for specific purposes approved by the  
7 voting electorate, in accordance with applicable constitutional and  
8 statutory provisions.

9 (2) With the enactment of Chapter 5 of the 2011–12 First  
10 Extraordinary Session (Assembly Bill 26), the Legislature intended  
11 that, upon dissolution of redevelopment agencies in the State of  
12 California, property taxes that would have been allocated to  
13 redevelopment agencies are no longer deemed tax increment.  
14 Instead, those taxes are deemed property tax revenues and are to  
15 be allocated first to successor agencies to make payments on the  
16 indebtedness incurred by the dissolved redevelopment agencies,  
17 with remaining balances allocated in accordance with applicable  
18 constitutional and statutory provisions.

19 (3) It is the intent of the Legislature in enacting this act to do  
20 all of the following:

21 (A) If a redevelopment agency had previously pledged revenues  
22 derived from the imposition of a property tax rate, approved by

1 the voters of a city, county, or city and county to make payments  
2 in support of pension programs and levied in addition to the  
3 property tax rate limited by subdivision (a) of Section 1 of Article  
4 XIII A of the California Constitution, to pay a portion of the debt  
5 service due on indebtedness incurred by the former redevelopment  
6 agency on an approved recognized obligation payment schedule,  
7 then the successor agency shall continue to pledge those revenues,  
8 in a commensurate rate going forward. For example, if revenues  
9 derived from a pension tax rate approved by the voters of a city,  
10 county, or city and county were pledged to pay up to 25 percent  
11 of the annual debt service for the indebtedness approved in a  
12 recognized obligation payment schedule, the successor agency  
13 shall continue to pay up to 25 percent of the annual debt service  
14 on the indebtedness until maturity. Any and all excess pledged  
15 revenues derived from the pension property tax rate that are not  
16 necessary to pay the debt service on the indebtedness shall be  
17 allocated and paid to the city, county, or city and county whose  
18 voters approved the pension property tax rate.

19 (B) Ensure that the use of revenues derived from the imposition  
20 of a property tax rate approved by the voters of a city, county, or  
21 city and county, to make payments in support of pension programs  
22 and levied in addition to the property tax rate limited by subdivision  
23 (a) of Section 1 of Article XIII A of the California Constitution,  
24 is consistent with the use approved by the voters of a city, county,  
25 or city and county, once revenues from such property tax rates are  
26 not needed to pay approved indebtedness of a former  
27 redevelopment agency.

28 (C) Implement the allocation and distribution of voter-approved,  
29 property-based tax revenues for pension programs under the  
30 redevelopment dissolution process in a manner that would have  
31 been consistent with the allocation and distribution of those  
32 revenues had redevelopment agencies not been dissolved, in  
33 accordance with applicable constitutional provisions.

34 (4) Further, it is the intent of the Legislature that this act not  
35 affect any property tax allocations that occurred prior to July 1,  
36 2014.

37 ~~SEC. 2. Section 33670 of the Health and Safety Code is~~  
38 ~~amended to read:~~

39 ~~33670. Any redevelopment plan may contain a provision that~~  
40 ~~taxes, if any, levied upon taxable property in a redevelopment~~

1 project each year by or for the benefit of the State of California;  
2 any city, county, city and county, district, or other public  
3 corporation (hereinafter sometimes called "taxing agencies") after  
4 the effective date of the ordinance approving the redevelopment  
5 plan, shall be divided as follows:

6 (a) ~~That portion of the taxes which would be produced by the~~  
7 ~~rate upon which the tax is levied each year by or for each of the~~  
8 ~~taxing agencies upon the total sum of the assessed value of the~~  
9 ~~taxable property in the redevelopment project as shown upon the~~  
10 ~~assessment roll used in connection with the taxation of that property~~  
11 ~~by the taxing agency, last equalized prior to the effective date of~~  
12 ~~the ordinance, shall be allocated to and when collected shall be~~  
13 ~~paid to the respective taxing agencies as taxes by or for the taxing~~  
14 ~~agencies on all other property are paid (for the purpose of allocating~~  
15 ~~taxes levied by or for any taxing agency or agencies which did not~~  
16 ~~include the territory in a redevelopment project on the effective~~  
17 ~~date of the ordinance but to which that territory has been annexed~~  
18 ~~or otherwise included after that effective date, the assessment roll~~  
19 ~~of the county last equalized on the effective date of the ordinance~~  
20 ~~shall be used in determining the assessed valuation of the taxable~~  
21 ~~property in the project on the effective date).~~

22 (b) ~~Except as provided in subdivision (c) or in Section~~  
23 ~~33492.15, that portion of the levied taxes each year in excess of~~  
24 ~~that amount shall be allocated to and when collected shall be paid~~  
25 ~~into a special fund of the redevelopment agency to pay the principal~~  
26 ~~of and interest on loans, moneys advanced to, or indebtedness~~  
27 ~~(whether funded, refunded, assumed, or otherwise) incurred by~~  
28 ~~the redevelopment agency to finance or refinance, in whole or in~~  
29 ~~part, the redevelopment project. Unless and until the total assessed~~  
30 ~~valuation of the taxable property in a redevelopment project~~  
31 ~~exceeds the total assessed value of the taxable property in that~~  
32 ~~project as shown by the last equalized assessment roll referred to~~  
33 ~~in subdivision (a), all of the taxes levied and collected upon the~~  
34 ~~taxable property in the redevelopment project shall be paid to the~~  
35 ~~respective taxing agencies. When the loans, advances, and~~  
36 ~~indebtedness, if any, and interest thereon, have been paid, all~~  
37 ~~moneys thereafter received from taxes upon the taxable property~~  
38 ~~in the redevelopment project shall be paid to the respective taxing~~  
39 ~~agencies as taxes on all other property are paid.~~

~~(e) In any redevelopment project in which taxes have been divided pursuant to this section prior to 1968, located within any county with total assessed valuation subject to general property taxes for the 1967–68 fiscal year between two billion dollars (\$2,000,000,000) and two billion one hundred million dollars (\$2,100,000,000), if the total assessed valuation of taxable property within the redevelopment project for the 1967–68 fiscal year was reduced, the total sum of the assessed value of taxable property used as the basis for apportionment of taxes under subdivision (a) shall be reduced by 10 percent for the 1968–69 fiscal year and fiscal years thereafter.~~

~~(d) For the purposes of this section, taxes shall not include taxes from the supplemental assessment roll levied pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code for the 1983–84 fiscal year.~~

~~(e) That portion of the taxes in excess of the amount identified in subdivision (a) which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This subdivision shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.~~

~~(f) (1) That portion of the taxes in excess of the amount identified in subdivision (a) which are attributable to revenues derived from the imposition of a property tax rate, approved by the voters of a city, county, or city and county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, shall not be allocated to the Redevelopment Property Tax Trust Fund established pursuant to subdivision (b) of Section 34170.5 but shall be allocated to, and when collected shall be paid into, the fund of the city, county, or city and county whose voters approved the tax unless, following a written request with each Recognized Obligation Payment Schedule cycle from the successor agency, as defined in subdivision (j) of Section 34171, to the city, county, or city and county whose voters approved the tax, the city, county, or city and~~

1 county authorizes the use of the revenues from the fund of the city,  
2 county, or city and county by the successor agency to pay any  
3 enforceable obligation, as defined in subdivision (d) of Section  
4 34171, on an approved Recognized Obligation Payment Schedule  
5 pursuant to subdivisions (l) and (m) of Section 34177 and  
6 subdivision (h) of Section 34179.

7 (2) Subject to the approval of the city, county, or city and county  
8 as provided for in paragraph (1), the amounts necessary to pay  
9 approved enforceable obligations shall be allocated to the successor  
10 agency pursuant to paragraph (2) of subdivision (a) of Section  
11 34183, from revenues derived from the imposition of a property  
12 tax rate, approved by the voters of a city, county, or city and county  
13 to make payments in support of pension programs and levied in  
14 addition to the property tax rate limited by subdivision (a) of  
15 Section 1 of Article XIII A of the California Constitution, but only  
16 after all other moneys deposited in the successor agency's  
17 Redevelopment Property Tax Trust Fund established pursuant to  
18 subdivision (b) of Section 34170.5 have been exhausted.

19 (3) Any revenues derived from the imposition of a property tax  
20 rate, approved by the voters of a city, county, or city and county  
21 to make payments in support of pension programs, known as a  
22 pension tax rate, and levied in addition to the property tax rate  
23 limited by subdivision (a) of Section 1 of Article XIII A of the  
24 California Constitution, that have been pledged as security for the  
25 payment of any indebtedness obligation, as defined in subdivision  
26 (e) of Section 34171, shall be allocated to the successor agency,  
27 after all other moneys deposited in the successor agency's  
28 Redevelopment Property Tax Trust Fund established pursuant to  
29 subdivision (b) of Section 34170.5 have been exhausted, in the  
30 amount necessary to pay that indebtedness obligation for an  
31 applicable Recognized Obligation Payment Schedule cycle, until  
32 such time as that indebtedness obligation has been completely paid  
33 off. Any and all excess pledged revenues derived from the pension  
34 property tax rate that are not necessary to pay the debt service on  
35 the indebtedness shall be allocated and paid to the city, county, or  
36 city and county whose voters approved the pension property tax  
37 rate.

38 SEC. 3.—Section 34172 of the Health and Safety Code is  
39 amended to read:

1     ~~34172. (a) (1) All redevelopment agencies and redevelopment~~  
2 ~~agency components of community development agencies created~~  
3 ~~under Part 1 (commencing with Section 33000), Part 1.5~~  
4 ~~(commencing with Section 34000), Part 1.6 (commencing with~~  
5 ~~Section 34050), and Part 1.7 (commencing with Section 34100)~~  
6 ~~that were in existence on the effective date of this part are hereby~~  
7 ~~dissolved and shall no longer exist as a public body, corporate or~~  
8 ~~politic. Nothing in this part dissolves or otherwise affects the~~  
9 ~~authority of a community redevelopment commission, other than~~  
10 ~~in its authority to act as a redevelopment agency, in its capacity~~  
11 ~~as a housing authority or for any other community development~~  
12 ~~purpose of the jurisdiction in which it operates. For those other~~  
13 ~~nonredevelopment purposes, the community development~~  
14 ~~commission derives its authority solely from federal or local laws,~~  
15 ~~or from state laws other than the Community Redevelopment Law~~  
16 ~~(Part 1 (commencing with Section 33000)).~~

17     ~~(2) A community in which an agency has been dissolved under~~  
18 ~~this section may not create a new agency pursuant to Part 1~~  
19 ~~(commencing with Section 33000), Part 1.5 (commencing with~~  
20 ~~Section 34000), Part 1.6 (commencing with Section 34050), or~~  
21 ~~Part 1.7 (commencing with Section 34100). However, a community~~  
22 ~~in which the agency has been dissolved and the successor entity~~  
23 ~~has paid off all of the former agency's enforceable obligations~~  
24 ~~may create a new agency pursuant to Part 1 (commencing with~~  
25 ~~Section 33000), Part 1.5 (commencing with Section 34000), Part~~  
26 ~~1.6 (commencing with Section 34050), or Part 1.7 (commencing~~  
27 ~~with Section 34100), subject to the tax increment provisions~~  
28 ~~contained in Chapter 3.5 (commencing with Section 34194.5) of~~  
29 ~~Part 1.9 (commencing with Section 34192).~~

30     ~~(b) All authority to transact business or exercise powers~~  
31 ~~previously granted under the Community Redevelopment Law~~  
32 ~~(Part 1 (commencing with Section 33000)) is hereby withdrawn~~  
33 ~~from the former redevelopment agencies.~~

34     ~~(c) Solely for purposes of Section 16 of Article XVI of the~~  
35 ~~California Constitution, the Redevelopment Property Tax Trust~~  
36 ~~Fund shall be deemed to be a special fund of the dissolved~~  
37 ~~redevelopment agency to pay the principal of and interest on loans,~~  
38 ~~moneys advanced to, or indebtedness, whether funded, refunded,~~  
39 ~~assumed, or otherwise incurred by the redevelopment agency to~~

1 finance or refinance, in whole or in part, the redevelopment projects  
2 of each redevelopment agency dissolved pursuant to this part.

3 ~~(d) Except as provided in subdivision (c) of Section 34183,~~  
4 ~~revenues equivalent to those that would have been allocated~~  
5 ~~pursuant to subdivision (b) of Section 16 of Article XVI of the~~  
6 ~~California Constitution shall be allocated to the Redevelopment~~  
7 ~~Property Tax Trust Fund of each successor agency for making~~  
8 ~~payments on the principal of and interest on loans, and moneys~~  
9 ~~advanced to or indebtedness incurred by the dissolved~~  
10 ~~redevelopment agencies. Amounts in excess of those necessary to~~  
11 ~~pay obligations of the former redevelopment agency shall be~~  
12 ~~deemed to be property tax revenues within the meaning of~~  
13 ~~subdivision (a) of Section 1 of Article XIII A of the California~~  
14 ~~Constitution.~~

15 ~~SEC. 4.~~

16 *SEC. 2.* Section 34183 of the Health and Safety Code is  
17 amended to read:

18 34183. (a) Notwithstanding any other law, from February 1,  
19 2012, to July 1, 2012, and for each fiscal year thereafter, the county  
20 auditor-controller shall, after deducting administrative costs  
21 allowed under Section 34182 and Section 95.3 of the Revenue and  
22 Taxation Code and revenues allocated pursuant to subdivision (e),  
23 *Code*, allocate moneys in each Redevelopment Property Tax Trust  
24 Fund as follows:

25 (1) Subject to any prior deductions required by subdivision (b),  
26 first, the county auditor-controller shall remit from the  
27 Redevelopment Property Tax Trust Fund to each local agency and  
28 school entity an amount of property tax revenues in an amount  
29 equal to that which would have been received under Section 33401,  
30 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections  
31 read on January 1, 2011, or pursuant to any passthrough agreement  
32 between a redevelopment agency and a taxing entity that was  
33 entered into prior to January 1, 1994, that would be in force during  
34 that fiscal year, had the redevelopment agency existed at that time.  
35 The amount of the payments made pursuant to this paragraph shall  
36 be calculated solely on the basis of passthrough payment  
37 obligations, existing prior to the effective date of this part and  
38 continuing as obligations of successor entities, shall occur no later  
39 than May 16, 2012, and no later than June 1, 2012, and each  
40 January 2 and June 1 thereafter. Notwithstanding subdivision (e)

1 of Section 33670, that portion of the taxes in excess of the amount  
2 identified in subdivision (a) of Section 33670, which are  
3 attributable to a tax rate levied by a taxing entity for the purpose  
4 of producing revenues in an amount sufficient to make annual  
5 repayments of the principal of, and the interest on, any bonded  
6 indebtedness for the acquisition or improvement of real property  
7 shall be allocated to, and when collected shall be paid into, the  
8 fund of that taxing entity. The amount of passthrough payments  
9 computed pursuant to this section, including any passthrough  
10 agreements, shall be computed as though the requirement to set  
11 aside funds for the Low and Moderate Income Housing Fund was  
12 still in effect.

13 (2) Second, on June 1, 2012, and each January 2 and June 1  
14 thereafter, to each successor agency for payments listed in its  
15 Recognized Obligation Payment Schedule for the six-month fiscal  
16 period beginning January 1, 2012, and July 1, 2012, and each  
17 January 2 and June 1 thereafter, in the following order of priority:

18 (A) Debt service payments scheduled to be made for tax  
19 allocation bonds.

20 (B) Payments scheduled to be made on revenue bonds, but only  
21 to the extent the revenues pledged for them are insufficient to make  
22 the payments and only if the agency's tax increment revenues were  
23 also pledged for the repayment of the bonds.

24 (C) Payments scheduled for other debts and obligations listed  
25 in the Recognized Obligation Payment Schedule that are required  
26 to be paid from former tax increment revenue.

27 (3) Third, on June 1, 2012, and each January 2 and June 1  
28 thereafter, to each successor agency for the administrative cost  
29 allowance, as defined in Section 34171, for administrative costs  
30 set forth in an approved administrative budget for those payments  
31 required to be paid from former tax increment revenues.

32 (4) (A) *Fourth, on January 2, 2015, and each January 2 and*  
33 *June 1 thereafter, to a city or county that levies a property tax*  
34 *rate, approved by the voters of a city or county to make payments*  
35 *in support of pension programs and levied in addition to the*  
36 *property tax rate limited by subdivision (a) of Section 1 of Article*  
37 *XIII A of the California Constitution, an amount of property tax*  
38 *revenues equal to the amount of revenues derived from the*  
39 *imposition of that tax rate that were allocated to the Redevelopment*  
40 *Property Tax Trust Fund for that fiscal period.*

(B) *This paragraph shall apply only if an oversight board denies a request to prohibit revenues derived from the imposition a property tax rate described in subparagraph (A) from being deposited into a Redevelopment Property Tax Trust Fund as provided by paragraph (2) of subdivision (f).*

~~(4)~~

(5) ~~Fourth, Fifth~~, on June 1, 2012, and each January 2 and June 1 thereafter, any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by paragraphs (1) to ~~(3)~~, (4), inclusive, shall be distributed to local agencies and school entities in accordance with Section 34188.

(b) If the successor agency reports, no later than April 1, 2012, and May 1, 2012, and each December 1 and May 1 thereafter, to the county auditor-controller that the total amount available to the successor agency from the Redevelopment Property Tax Trust Fund allocation to that successor agency's Redevelopment Obligation Retirement Fund, from other funds transferred from each redevelopment agency, and from funds that have or will become available through asset sales and all redevelopment operations, are insufficient to fund the payments required by paragraphs (1) to (3), inclusive, of subdivision (a) in the next six-month fiscal period, the county auditor-controller shall notify the Controller and the Department of Finance no later than 10 days from the date of that notification. The county auditor-controller shall verify whether the successor agency will have sufficient funds from which to service debts according to the Recognized Obligation Payment Schedule and shall report the findings to the Controller. If the Controller concurs that there are insufficient funds to pay required debt service, the amount of the deficiency shall be deducted first from the amount remaining to be distributed to taxing entities pursuant to ~~paragraph (4)~~ paragraphs (4) and (5) of subdivision (a), and if that amount is exhausted, from amounts available for distribution for administrative costs in paragraph (3) of subdivision (a). If an agency, pursuant to the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688 or as expressly provided in a passthrough agreement entered into pursuant to Section 33401, made passthrough payment obligations subordinate to debt service payments required for enforceable obligations, funds for servicing bond debt may be deducted from the amounts for passthrough payments under paragraph (1) of

subdivision (a), as provided in those sections, but only to the extent that the amounts remaining to be distributed to taxing entities pursuant to ~~paragraph (4)~~ *paragraphs (4) and (5)* of subdivision (a) and the amounts available for distribution for administrative costs in paragraph (3) of subdivision (a) have all been exhausted.

~~(e) (1) (A) Notwithstanding any other law, for the 2014-15 fiscal year and each fiscal year thereafter, any revenues derived from the imposition of a property tax rate, approved by the voters of a city, county, or city and county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, shall not be allocated to each Redevelopment Property Tax Trust Fund and shall instead be allocated to, and when collected shall be paid into, the fund of the city, county, or city and county whose voters approved the tax unless, following a written request with each Recognized Obligation Payment Schedule cycle from the successor agency to the city, county, or city and county whose voters approved the tax, the city, county, or city and county authorizes the use of the revenues from the fund of the city, county, or city and county by the successor agency to pay any enforceable obligation, as defined in subdivision (d) of Section 34171, on an approved Recognized Obligation Payment Schedule pursuant to subdivisions (l) and (m) of Section 34177 and subdivision (h) of Section 34179.~~

~~(B) Subject to the approval of the city, county, or city and county as provided for in paragraph (1), the amounts necessary to pay approved enforceable obligations shall be allocated to the successor agency pursuant to paragraph (2) of subdivision (a), from revenues derived from the imposition of a property tax rate, approved by the voters of the city, county, or city and county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, but only after all other moneys deposited in the successor agency's Redevelopment Property Tax Trust Fund have been exhausted.~~

~~(C) Any revenues derived from the imposition of a property tax rate, approved by the voters of a city, county, or city and county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, that have~~

1 ~~been pledged as security for the payment of any indebtedness~~  
2 ~~obligation shall be allocated to the successor agency, after all other~~  
3 ~~moneys deposited in the successor agency's Redevelopment~~  
4 ~~Property Tax Trust Fund have been exhausted, in the amount~~  
5 ~~necessary to pay that indebtedness obligation for an applicable~~  
6 ~~Recognized Obligation Payment Schedule cycle, until such time~~  
7 ~~as that indebtedness obligation has been completely paid off. Any~~  
8 ~~and all excess pledged revenues derived from the pension property~~  
9 ~~tax rate that are not necessary to pay the debt service on the~~  
10 ~~indebtedness shall be allocated and paid to the city, county, or city~~  
11 ~~and county whose voters approved the pension property tax rate.~~

12 ~~(2) Notwithstanding any other law, all allocations of revenues~~  
13 ~~derived from the imposition of a property tax rate, approved by~~  
14 ~~the voters of a city, county, or city and county to make payments~~  
15 ~~in support of pension programs and levied in addition to the~~  
16 ~~property tax rate limited by subdivision (a) of Section 1 of Article~~  
17 ~~XIII A of the California Constitution, made by any county~~  
18 ~~auditor-controller prior to July 1, 2014, shall be deemed correct~~  
19 ~~and shall not be affected by this act. A city, county, city and county,~~  
20 ~~county auditor-controller, successor agency, or affected taxing~~  
21 ~~entity shall not be subject to any claim for money, damages, or~~  
22 ~~reallocated revenues based on any allocation of such revenues~~  
23 ~~prior to July 1, 2014.~~

24 ~~(d)~~

25 ~~(c) The county treasurer may loan any funds from the county~~  
26 ~~treasury to the Redevelopment Property Tax Trust Fund of the~~  
27 ~~successor agency for the purpose of paying an item approved on~~  
28 ~~the Recognized Obligation Payment Schedule at the request of the~~  
29 ~~Department of Finance that are necessary to ensure prompt~~  
30 ~~payments of redevelopment agency debts. An enforceable~~  
31 ~~obligation is created for repayment of those loans.~~

32 ~~(e)~~

33 ~~(d) The Controller may recover the costs of audit and oversight~~  
34 ~~required under this part from the Redevelopment Property Tax~~  
35 ~~Trust Fund by presenting an invoice therefor to the county~~  
36 ~~auditor-controller who shall set aside sufficient funds for and~~  
37 ~~disburse the claimed amounts prior to making the next distributions~~  
38 ~~to the taxing entities pursuant to Section 34188. Subject to the~~  
39 ~~approval of the Director of Finance, the budget of the Controller~~

1 may be augmented to reflect the reimbursement, pursuant to  
2 Section 28.00 of the Budget Act.

3 ~~(f)~~

4 (e) Within 10 days of each distribution of property tax, the  
5 county auditor-controller shall provide a report to the department  
6 regarding the distribution for each successor agency that includes  
7 information on the total available for allocation, the passthrough  
8 amounts and how they were calculated, the amounts distributed  
9 to successor agencies, and the amounts distributed to taxing entities  
10 in a manner and form specified by the department. This reporting  
11 requirement shall also apply to distributions required under  
12 subdivision (b) of Section 34183.5.

13 (f) (1) *A city or county that levies a property tax rate, approved*  
14 *by the voters of a city or county to make payments in support of*  
15 *pension programs and levied in addition to the property tax rate*  
16 *limited by subdivision (a) of Section 1 of Article XIII A of the*  
17 *California Constitution, may make a request to an oversight board*  
18 *to prohibit revenues derived from the imposition of that property*  
19 *tax rate from being deposited into a Redevelopment Property Tax*  
20 *Trust Fund.*

21 (2) *Based on substantial evidence that a former redevelopment*  
22 *agency specifically spent, pledged, or otherwise used any revenues*  
23 *derived from the imposition of a property tax rate approved by the*  
24 *voters of a city or county to make payments in support of pension*  
25 *programs and levied in addition to the property tax rate limited*  
26 *by subdivision (a) of Section 1 of Article XIII A of the California*  
27 *Constitution, an oversight board may deny a request made pursuant*  
28 *to paragraph (1).*

29 (3) *Notwithstanding any other law, for the 2014–15 fiscal year*  
30 *and each fiscal year thereafter, if an oversight board does not deny*  
31 *a request as provided by paragraph (2), any revenues derived from*  
32 *the imposition of a property tax rate, approved by the voters of a*  
33 *city or county to make payments in support of pension programs*  
34 *and levied in addition to the property tax rate limited by*  
35 *subdivision (a) of Section 1 of Article XIII A of the California*  
36 *Constitution, shall not be allocated to a Redevelopment Property*  
37 *Tax Trust Fund and shall instead be allocated to, and when*  
38 *collected shall be paid into, the fund of the city or county whose*  
39 *voters approved the tax.*

(4) Notwithstanding any other law, all allocations of revenues derived from the imposition of a property tax rate, approved by the voters of a city or county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, made by any county auditor-controller prior to July 1, 2014, shall be deemed correct and shall not be affected by this act. A city, county, county auditor-controller, successor agency, or affected taxing entity shall not be subject to any claim for money, damages, or reallocated revenues based on any allocation of such revenues prior to July 1, 2014.

~~SEC. 5. Section 95.6 is added to the Revenue and Taxation Code, to read:~~

~~95.6. Notwithstanding any other law, allocations of revenues derived from the imposition of a property tax rate, approved by the voters of a city, county, or city and county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, shall be made pursuant to subdivision (c) of Section 34183 of the Health and Safety Code.~~

~~SEC. 6.~~

~~SEC. 3. (a) No inference shall be drawn from the enactment of this act with respect to the use, distribution, or allocation of revenues derived from the imposition of a property tax rate, approved by the voters of a city, county, or city and county to make payments in support of pension programs and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, made by any county auditor-controller prior to July 1, 2014.~~

~~(b) The Legislature is aware of City of San Jose, etc. v. Sharma et al., Court of Appeal Case No. C074539, which is pending litigation. It is the express intent of the Legislature that no party in that pending litigation be in any way prejudiced by the passage of this act. Therefore, the provisions of this act, except the addition of paragraph (4) to subdivision (a) of Section 34183 of the Health and Safety Code, shall not apply to the City of San Jose Successor Agency. Furthermore, this act shall not be indicative of any legislative intent concerning any issues before the courts in that litigation, and no provision of this act shall be relied upon in any~~

1 way regarding the issues pending before the courts in that  
2 litigation.

3 ~~SEC. 7.~~

4 SEC. 4. If the Commission on State Mandates determines that  
5 this act contains costs mandated by the state, reimbursement to  
6 local agencies and school districts for those costs shall be made  
7 pursuant to Part 7 (commencing with Section 17500) of Division  
8 4 of Title 2 of the Government Code.

9 ~~SEC. 8.~~

10 SEC. 5. This act is an urgency statute necessary for the  
11 immediate preservation of the public peace, health, or safety within  
12 the meaning of Article IV of the Constitution and shall go into  
13 immediate effect. The facts constituting the necessity are:

14 In order to avoid underfunded pension programs as a result of  
15 revenues derived from the imposition of a property tax rate,  
16 approved by the voters of a city, county, or city and county to make  
17 payments in support of pension programs and levied in addition  
18 to the property tax rate limited by subdivision (a) of Section 1 of  
19 Article XIII A of the California Constitution, being allocated first  
20 to successor agencies to make payments on the indebtedness  
21 incurred by the dissolved redevelopment agencies, with remaining  
22 balances being allocated in accordance with applicable  
23 constitutional and statutory provisions, instead of being paid  
24 entirely into the fund of the city, county, or city and county whose  
25 voters approved the tax, it is necessary that this act take effect  
26 immediately.